475 Seventeenth Street Suite 1500 Denver Colorado 80202 Telephone: 303 573 1222 Facsimile: 303 573 0461

June 21, 2005

Utah Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210 P. O. Box 145801 Salt Lake City, Utah 84114-5801

Attn.: Ms. Diana Whitney

RE: Southam Canyon #10-24-24-12

Sobotik

SESW Sec 12 T10S-R24E Uintah County, Utah

Dear Ms. Whitney:

Enclosed is an original application to drill concerning the referenced proposed well. This information was also submitted to the Bureau of Land Management.

Enduring Resources, LLC is requesting the Utah Division of Oil, Gas and Mining to hold this application and all future information as confidential.

If any questions arise or additional information is required, please contact me at 303-350-5114.

Sincerely,

Phyllis Sobotik

Regulatory Specialist

/ps

Enclosures:

RECEIVED
JUN 2 3 2005

DIV. OF OIL, GAS & MINING



Form 3160-3 (April 2004)

UNITED STATES

FORM APPROVED OMB No. 1004-0137 Expires March 31, 2007

١.	Lease Seriai N	o.
	UTU-07551	8

INTERIOR NAGEMENT	·NTED		UTU-075518 6. If Indian, Allotee or T	ribe Name	
0 1 APPLICATION FOR PERMIT TO DRILL OR REENTER					
la. Type of work: DRILL REENTER					
1b. Type of Well: ☐ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone 2. Name of Operator					
			43-047	34789	
1	•				
iny State requirements.*)	1,95814	0 05a		·	
1243134 1	- 1.140		12. County or Parish Uintah	13. State UT	
16. No. of acres in 1 1558.37	ease				
19. Proposed Depth 6192'					
1 77 -		rt*	23. Estimated duration 20 days		
24. Attachmen	ts				
1 Lands, the 5. C	Sond to cover the tem 20 above). Operator certific Such other site	he operation cation specific info	as unless covered by an exist	· ·	
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BRADLE'	Y G. HII	L	1 2	6-27-1	
			ect lease which would entitle	the applicant to	
	AGEMENT DRILL OR REE Single Zo 3b. Phone No. (includance) 303-350-511: The State requirements.*) 16. No. of acres in Include 1558.37 19. Proposed Depth 6192: 22. Approximate da 09/1 24. Attachmentore Oil and Gas Order Note Oil and Oil a	DRILL OR REENTER Single Zone Multip 3b. Phone No. (include area code) 303-350-5114 The state requirements.*) 39,95814 39,95814 39,95814 39,95814 39,95814 39,95814 424515	AGEMENT DRILL OR REENTER Single Zone Multiple Zone 3b. Phone No. (include area code) 303-350-5114 Many State requirements.*) 56837 X 39,958140 16. No. of acres in lease 17. Spacing 1558.37 80 acr 19. Proposed Depth 6192' BLM 22. Approximate date work will start* 09/15/2005 24. Attachments The Oil and Gas Order No.1, shall be attached to the lease of the cover the operation leads of the stacked to the lease of the stacked to the stacked to the lease of the stacked to the stac	TER DRILL OR REENTER County or Parish Uintah County or Parish Uin	

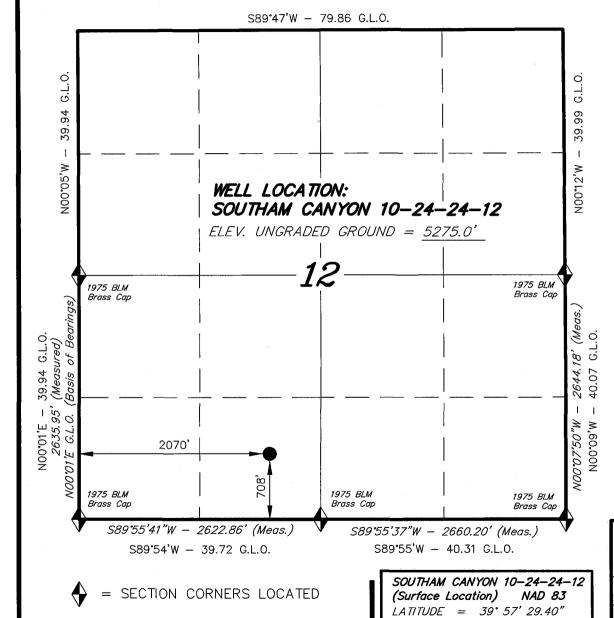
*(Instructions on page 2)

Federal Approval of this Action is Necessary

RECEIVED JUN 23 2005

DIV. OF OIL, GAS & MINING

T10S, R24E, S.L.B.&M.



LONGITUDE = 109 09 52.85

BASIS OF ELEV; U.S.G.S. 7-1/2 min

QUAD (SOUTHAM CANYON)

ENDURING RESOURCES

WELL LOCATION, SOUTHAM CANYON 10-24-24-12, LOCATED AS SHOWN IN THE SE 1/4 SW 1/4 OF SECTION 12, T10S, R24E, S.L.B.&M. UINTAH COUNTY, UTAH.

THIS IS TO CERTIFY THAT OF A BOYER WAS PREPARED FROM FIELD HOLDS OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND FELIEF. No. 189377

STATO OF GRAPATE OF UNA

SHEET

OF 8

TRI STATE LAND SURVEYING & CONSULTING

180 NORTH VERNAL AVE. - VERNAL, UTAH 84078 (435) 781-2501

DATE DRAWN: 4-7-05	SURVEYED BY: D.P.
REVISED:	DRAWN BY: F.T.M.
NOTES:	SCALE: 1" = 1000'

SELF-CERTIFICATION STATEMENT

The following self-certification statement is provided per federal requirements dated June 15, 1988.

Please be advised that Enduring Resources, LLC is considered to be the operator of the following well.

Southam Canyon #10-24-24-12 SESW 708' FSL 2070' FWL Section 12 T10S-R24E S.L.B.& M. Lease Serial No.: UTU-075518

Uintah County, Utah

Enduring Resources, LLC is responsible under the terms of this lease for the operations conducted upon lease lands.

Phyllis Sobotik

Regulatory Specialist Enduring Resources, LLC

475 17th Street, Suite 1500

Denver, CO 80202

(303) 350-5114

Enduring Resources, LLC Southam Canyon # 10-24-24-12 SESW Sec. 12 T10S-R24E Uintah County, Utah Lease # UTU-075518

Directions to Proposed Location

Directions to the proposed location are as follows:

Beginning at the town of Bonanza, Utah, proceed south on State Hwy 45 for approximately 3.8 miles. Cross the White River and continue on State Hwy 45 in a southeasterly direction for approximately 1.8 miles to a turn off to the right. Turn right (West) onto an unnumbered paved Class B County Road, proceed in a southwest direction along this county road for approximately 275 feet (0.05 miles). Turn right and travel in a westerly direction along the proposed access road for approximately 140 feet (0.03 miles) to the proposed Southam Canyon #10-24-24-12 well pad.

The proposed well site is located approximately 5.7 miles South from Bonanza, Utah.

Enduring Resources, LLC Southam Canyon # 10-24-24-12 SESW Sec. 12 T10S-R24E Uintah County, Utah Lease # UTU-075518

ONSHORE ORDER 1 - DRILLING PLAN

1. Estimated Tops of Geological Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	Surface
Green River	361'
Wasatch	2532'
Mesaverde	3521'

2. Estimated Depths of Anticipated Water, Oil, Gas or Other Minerals: (5284.3' estimated KB)

Substance	Formation	Depth
	Uinta	Surface
Oil / Gas	Green River	361'
Oil /Gas	Wasatch	2532'
Oil /Gas	Mesaverde	3521'
	Estimated TD	6192'

A 12-1/4" hole will be drilled to approximately 2000 feet. The depth will be determined by the depth that the Birds Nest zone is encountered. The hole will be drilled 400 feet beyond the top of the Birds Nest zone and surface casing will be set.

3. Pressure Control Equipment: (3000 psi schematic attached)

A. Type:

Eleven (11) inch double gate hydraulic BOP with eleven (11) inch annular preventer with 3,000 psi Casinghead and 3,000 psi Tubinghead equipped per the attached diagrams for 3,000 psi. BOPE as specified in *Onshore Oil & Gas Order Number 2*. A PVT, Stroke Counter and flow sensor will be installed to check for flow and monitor pit volume.

B. Pressure Rating: 3,000 psi BOPE

C. Kelly will be equipped with upper and lower Kelly valves.

D. Testing Procedure: Annular Preventer

At a minimum, the annular preventer will be pressure tested to 50% of the stack rated working pressure for a period of ten (10) minutes or until provisions of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

- 1. When the annular preventer is initially installed;
- 2. Whenever any seal subject to test pressure is broken;
- 3. Following related repairs; and
- 4. At thirty (30) day intervals.

In addition to the above, the annular preventer will be functionally operated at least weekly.

Blow-Out Preventer

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by a test plug) or to 70% of the internal yield strength of the surface casing (if the BOP is not isolated from the casing by a test plug). Pressure will be maintained for a period of at least ten (10) minutes or until the requirements of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

- 1. When the BOP is initially installed;
- 2. Whenever any seal subject to test pressure is broken;
- 3. Following related repairs; and
- 4. At thirty (30) day intervals.

In addition to the above, the pipe and blind rams will be activated each trip, but not more than once each day. All BOP drills and tests will be recorded in the IADC driller's log.

D. Miscellaneous Information:

The blowout preventer and related pressure control equipment will be installed, tested and maintained in compliance with the specifications in and requirements of *Onshore Oil & Gas Order Number 2*.

Totco directional surveys will be dropped every 2000 feet. Maximum allowable angle is 5 degrees.

4. Proposed Casing & Cementing Program:

A. Casing Program: All New

Hole Size	Casing Size	Wt./Ft.	Grade	Joint	Depth Set (md)
20"	16"				40'
12-1/4"	8-5/8"	24#	J-55	ST&C	0 - 2,000' est
7-7/8"	4-1/2"	11.6#	N-80/I-80	LT&C	0 – 6192'

The surface casing will have guide shoe, 1 jt., insert float collar. Centralize the first 3 joints with bow spring centralizers. Thread lock guide shoe.

Casing string(s) will be pressure tested to 0.22 psi/foot of casing string length or 1500 psi, whichever is greater (not to exceed 70% of the internal yield strength of the casing), after cementing and prior to drilling out from under the casing shoe.

B. Casing Design Parameters:

Depth	Casing	Collapse(psi)/SF	Burst (psi)/SF	Tension(mlbs)/SF
(md)	16"			
$\frac{40}{2000}$	8-5/8", 24#/ft, J55, STC	1370/1.54(a)	2950/3.34(b)	244/5.85(c)
6192	4-1/2", 11.6#/ft, N-80, LTC	6350/1.99 (d)	7780/2.65 (e)	223/3.61 (f)

- (a.) based on full evacuation with 8.6 ppg fluid on annulus
- (b.) based on 8.6 ppg gradient with no fluid on annulus
- (c.) based on casing string weight in 8.6 ppg mud
- (d.) based on full evacuation with 10.0 ppg fluid on annulus, pipe evacuated

- (e.) based on 9.2 ppg gradient, gas to surface, with no fluid on annulus, no gas gradient.
- (f.) based on casing string weight in 9.2 ppg mud

PROPOSED CEMENTING PROGRAM

Surface Casing (if well will circulate)-Cemented to surface

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft³/sx)
8-5/8"	Lead	1500	65/35 POZ +6% Gel +10 pps gilsonite + .25 pps Flocele + 3% salt BWOW	462	35%	12.6	1.81
8-5/8"	Tail	500	Premium cmt +2% CaCl +.25 pps flocele	236	35%	15.6	1.18

A cement top job is required if cement fallback is greater than 10' below ground level. Top job cement will be premium cement w/2% CaCl. Volume as required.

Surface Casing (if well will not circulate)-Cemented to surface

CAS	SING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
8-:	5/8"	Lead	500	Premium cmt + 2% CaCl +.25 pps flocele	280	60	15.6	1.18
8-5	5/8"	Top job	As req.	Premium cement + 2% CaCl	Req.		15.6	1.18

Production Casing and Liner-Cemented TD to Surface

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft³/sx)
4-1/2"	Lead	2400	Premium Lite II +3% KCL +0.25 pps celloflake +5 pps gilsonite +10% gel +0.5% extender	276	60	11.0	3.38
4-1/2"	Tail	3800	50/50 POZ Class G +10% salt + 2% gel + 1% R-3	1029	60	14.3	1.31

Cement volumes for the 4-1/2" Production Casing will be calculated to provide a top of cement to surface. Cement volumes are approximate and were calculated under the assumption that a gauge hole will be achieved. Actual cement volumes may vary due to variations in the actual hole size and will be determined by running a caliper log on the drilled hole.

All waiting on cement (WOC) times will be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

5. **Drilling Fluids (mud) Program:**

Interval	Mud Weight	Fluid Loss	Viscosity	Mud Type
0'-2000'		No cntrl		Air/mist
2000'-3000'	8.4-8.6	No cntrl	28-36	Water
3000'-6192'	8.8-9.8	8 - 10 ml	32-42	Water/Gel

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blowout will be available at the well site during drilling operations.

Evaluation Program: 6.

No tests are currently planned. Tests:

No cores are currently planned. Coring:

TD to Base Surface Casing Dual Induction – SFL /Gamma Ray Caliper:

Compensated Neutron/Litho Density Temperature/Gamma Ray: TD to Base Surface Casing PBTD to Top of Cement

Cement Bond Log / Gamma Ray:

A stimulation or frac treatment will be designed for completion of this well based on Stimulation:

openhole log analysis. The drill site, as approved, will be sufficient size to accommodate

all completion activities.

Abnormal Conditions: 7.

No abnormal temperatures or pressures are anticipated. No H₂S has been encountered or known to exist from previous wells drilled to similar depths in the general area.

Maximum anticipated bottom hole pressure equals approximately 3140 psi (calculated at 0.51 psi/foot of hole) and maximum anticipated surface pressure equals approximately 1790 psi (anticipated bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot of hole).

Anticipated Starting Dates: 8.

Anticipated Commencement Date-September 15, 2005 Approximately 10 days Drilling Days-Completion Days -Approximately 10 days

Anticipate location construction within 30 days of permit issuance.

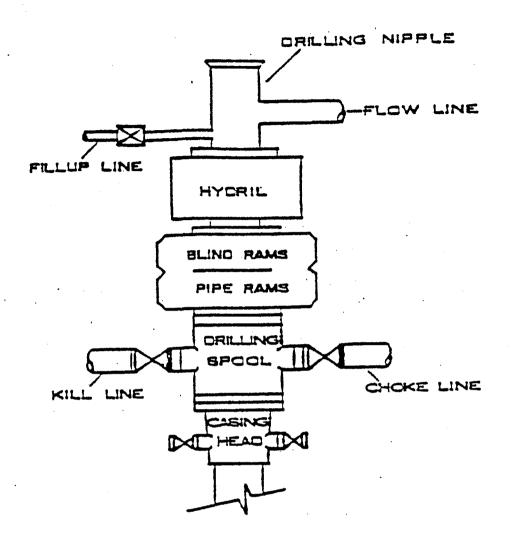
9. Variances:

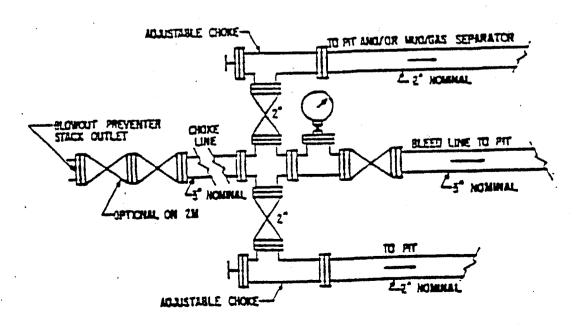
None anticipated

10. Other:

A Cultural Resource Inventory and Paleontology reconnaissance shall be conducted for the well location, access route and pipeline. The reports shall be submitted to the Division of Oil, Gas and Mining upon their receipt.

EOP STACK





Enduring Resources, LLC Southam Canyon # 10-24-24-12 SESW Sec. 12 T10S-R24E Uintah County, Utah Lease # UTU-075518

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Directions to the proposed location are as follows:

Beginning at the town of Bonanza, Utah, proceed south on State Hwy 45 for approximately 3.8 miles. Cross the White River and continue on State Hwy 45 in a southeasterly direction for approximately 1.8 miles to a turn off to the right. Turn right (West) onto an unnumbered paved Class B County Road, proceed in a southwest direction along this county road for approximately 275 feet (0.05 miles). Turn right and travel in a westerly direction along the proposed access road for approximately 140 feet (0.03 miles) to the proposed Southam Canyon #10-24-24-12 well pad.

The proposed well site is located approximately 5.7 miles South from Bonanza, Utah. Refer to attached Topographic Map "A" and "B".

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. Planned Access Roads:

The proposed access road will be approximately 140 feet (0.03 miles) of new construction on lease, no off lease surface disturbance. The approximately 275 feet (0.05 miles) of existing Class B County Road is paved; therefore, no upgrading is required. Please refer to Topo Map "B".

The proposed access road will be utilized to transport personnel, equipment and supplies to and from the proposed wellsite during drilling, completion and production operations. The road will be utilized temporarily if the proposed well is drilled and abandoned. However, the road will be permanently utilized if the well is capable of producing in economic quantities. It the well is productive, the road will be utilized year round.

The access road will be crowned 2% to 3%, ditched and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet right-of-way. Maximum grade of road is 5% or less. Graveling or capping the roadbed will be performed as necessary to provide a well constructed, safe road. No fence crossings, culverts, turnouts, cattleguards or major cuts and fills are required. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

Surface disturbance and vehicular traffic will be limited to the proposed location and proposed access route. Any additional area needed will be approved in advance. All construction shall be in conformance with the standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development. 1989.

The road surface and shoulders will be kept in a safe usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear and free flowing and will be maintained according to original construction standards. The access road surface will be kept free of trash during operations. All traffic will be confined to the approved disturbed surface. Road drainage crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the road bed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy

conditions. Should mud holes develop, they shall be filled in and detours around them avoided. When snow is removed from the road during the winter months, the snow shall be pushed outside of the borrow ditches and the turnouts kept clear so that snowmelt will be channeled away from the road.

3. Location of Existing Wells Within a One Mile Radius: Please refer to Topographic Map "C"

There are no known producing wells, shut in wells, temporarily abandoned wells, plugged and abandoned wells, disposal wells, water wells, monitoring or observation wells, or injection wells located within a one (1) mile radius of the proposed location.

There may be drilling activity or permitted wells within in the area.

4. Location of Existing &/or Proposed Facilities:

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e. production tanks, produced water tanks and/or heater treater.) These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank and be independent of the back cut.

All permanent (on site for six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earth tone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Inter-Agency Committee.

All facilities will be painted within 6 months of installation. The color shall be Carlsbad Canyon (2.5Y 6/2). Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

An <u>off lease Right-of-Way is being requested</u> for approximately 1,110 feet (0.2 miles) of the proposed gas gathering line. The width of the right-of-way requested is 15 feet. A permanent right-of-way is requested for a term of 30 years. Please refer to the attached Topographic Map "D".

If the well is capable of economic production, a surface gas gathering line and related equipment shall be installed. The gas gathering line shall be in use year round. A total of approximately 3,660 feet (0.7 miles) (on lease approximately 2,560 feet (0.5 miles); off lease approximately 1,110 feet (0.2 miles) of 6 inch or less diameter steel, unpainted, welded gas gathering line is proposed. The proposed line will begin at the well site, go easterly and bore under the unnumbered paved Class B County Road, continue heading southeasterly along Class B County Road 4180 (Dragon Road) into Sec. 13 T10S-R24E, then bore under the Class B County Road 4180 and turn northeasterly back into Sec. 12 and tie into an existing pipeline located in Sec 12 T10S-R24E. The proposed gathering line will be placed above ground, excluding the road bored areas, adjacent to the access road and the Class B County Road 4180. The line will be welded together and pulled from the well site location and tie-in point when practical; however, it may be necessary to utilize the access road for welding of the line. The line will then be boomed off to the side of the road. The gas meter run will be located within 500 feet of the wellhead. The meter run will be housed. The gas gathering line will be buried or anchored down from the wellhead to the meter.

Upon plugging and abandonment, the gas gathering line will be removed and the disturbed area will be recontoured and restored as near as practical to the original condition. If necessary, re-seeding operations will be performed after completion of other reclamation operations.

5. Location and Type of Water Supply:

Water will be obtained from the White River by Tu and Frum, Inc. Water User Claim #49-2185, Application #T75517, or by Target Trucking Water User Claim #43-2195, or by Dalbo Inc. Water User Claim #43-8496.

Water will be hauled to the location over the roads marked on Topographic Maps "A" and "B".

No water well is to be drilled on this lease.

6. Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized for location and access road construction.

Any gravel will be obtained from a commercial source; however, gravel sized rock debris associated with location and access road construction may be used as access road surfacing material.

7. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exits or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break or allow discharge of liquids.

The reserve pit will be lined with 1/4 inch felt and a minimum of 16 mm plastic with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

Any spills of oil, salt water or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical portable toilet will be furnished with the drilling rig. The toilet will be replaced periodically utilizing a licensed contractor to transport by truck the portable chemical toilet so that its contents can be delivered to the Vernal Wastewater Treatment Facility in accordance with state and county regulations.

Garbage, trash and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported or disposed of annually in association with the drilling, completion or testing of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported or disposed of in association with the drilling, completion or testing of this well.

Southam Canyon #10-24-24-12

Produced oil will be stored in an oil tank and then hauled by truck to a crude purchaser facility. Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to an approved disposal site.

Ancillary Facilities: 8.

During drilling operations, approximately 20 days, the site will be a manned camp. Three or four additional trailers will be on location to serve as the crew's housing and eating facility. These will be located on the perimeter of the pad site within the topsoil stockpiles. Refer to Sheet 4.

Well Site Layout: (Refer to Sheet #2, #3 & #4) 9.

The attached Location Layout Diagrams describes drill pad cross-sections, cuts and fills and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s) and surface material stockpiles(s).

Please see the attached diagram for rig orientation and access roads.

The top soil will be windrowed rather than piled. It will be reseeded and track walked at the time the location is constructed. Seeding will be with the mix determined during the onsite. (Refer to Page 5). The top soil removed from the pit area will be stored separately and will not be reseeded until the pit is reclaimed.

All pits shall be fenced to the following minimum standards:

39 inch net wire shall be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches over the new wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two fence posts shall be no greater than 16 feet.

All wire shall be stretched by, using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

Location size may change prior to drilling the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling rig, the location will be re-surveyed and a Form 9 will be submitted.

10. Plans for Surface Reclamation:

Producing Location:

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, materials, trash and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 40 CFR 3162.7.

Southam Canvon #10-24-24-12

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water(s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface 3 feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling and re-contouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole / Abandoned Location:

Abandoned well sites, roads and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the reestablishment of appropriate soil conditions and re-establishment of vegetation as specified.

All disturbed surfaces will be re-contoured to the approximate natural contours with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. If necessary, re-seeding operations will be performed after completion of other reclamation operations.

Seed Mixture for Windrowed Top Soil will include:

Wyoming Sagebrush	Artemisia tridentate wyomingensis	1 lb/acre
Fourwing Saltbush	Atriplex canescens	4 lbs/acre
Needle and Thread	Stipa comata	4 lbs/acre
Munro Globemallow	Sphaeraicea munroana	3 lbs/acre

11. Surface Ownership: Location, Access Road & Pipeline

Bureau of Land Management 170 South 500 East Vernal, Utah 84078 (435) 781-4400

12. Other Information:

Special Conditions of Approval: Prairie falcon nest exists within one half of a mile of this location. At this point in time, there would be no construction or drilling permitted from April 1 to July 15.

Onsite Inspection for Location, Access and Pipeline Route: Conducted June 1, 2005 with the following

Mr. Doug Hammond-Enduring Resources, LLC people present: Mr. Byron Tolman-BLM

> Mr. Stacy Stewart-Tri-State Land Surveying Inc. Ms. Melissa Hawk-BLM

Mr. Mike Stewart-Ponderosa Construction

Archeology: A Cultural Resource Inventory shall be conducted for the well location, access route and pipeline. The report shall be submitted to the Division of Oil, Gas and Mining and the Bureau of Land Management upon its receipt.

Paleontology: A Paleontology reconnaissance shall be conducted for the well location, access route and pipeline. The report shall be submitted to the Division of Oil, Gas and Mining and the Bureau of Land Management upon its receipt.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the Antiquities Act of June 8, 1906) are discovered, all operations which would affect such sites will be suspended and the discovery reported promptly to the surface management agency.

13. Lessee's or Operator's Representative and Certification:

Phyllis Sobotik Frank Hutto

Regulatory Specialist

Vice President – Operations
Enduring Resources, LLC

475 17th Street, Suite 1500

Denver, CO, 80202

Penver, CO, 80202

Denver, CO, 80202

Denver, CO 80202 Denver, CO 80202 303-350-5114 (office) 303-573-0461 (fax) 303-573-0461 (fax)

psobotik@enduringresources.com fhutto@enduringresources.com

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Enduring Resources, LLC is considered to be the operator of the subject well. Enduring Resources, LLC agrees to be responsible under the terms and the conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for the lease activities is being provided by BLM Statewide Bond # UTB000173.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Enduring Resources, LLC and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Mylly Sobotik

Vate





CENTER STAKE

Date Photographed: 03/31/2005 Date Drawn: 05/10/2005 Drawn By: bgm

Tri-State
Land Surveying Inc.
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078



ENDURING RESOURCES

S.C. 10-24-24-12

NORTH

Date Photographed: 03/31/2005

Date Drawn: 05/09/2005 Drawn By: bgm

Tri-State Land Surveying Inc. (435) 781-2501 180 North Vernal Ave. Vernal, Utah 84078

EAST





ENDURING RESOURCES

S.C. 10-24-24-12

SOUTH

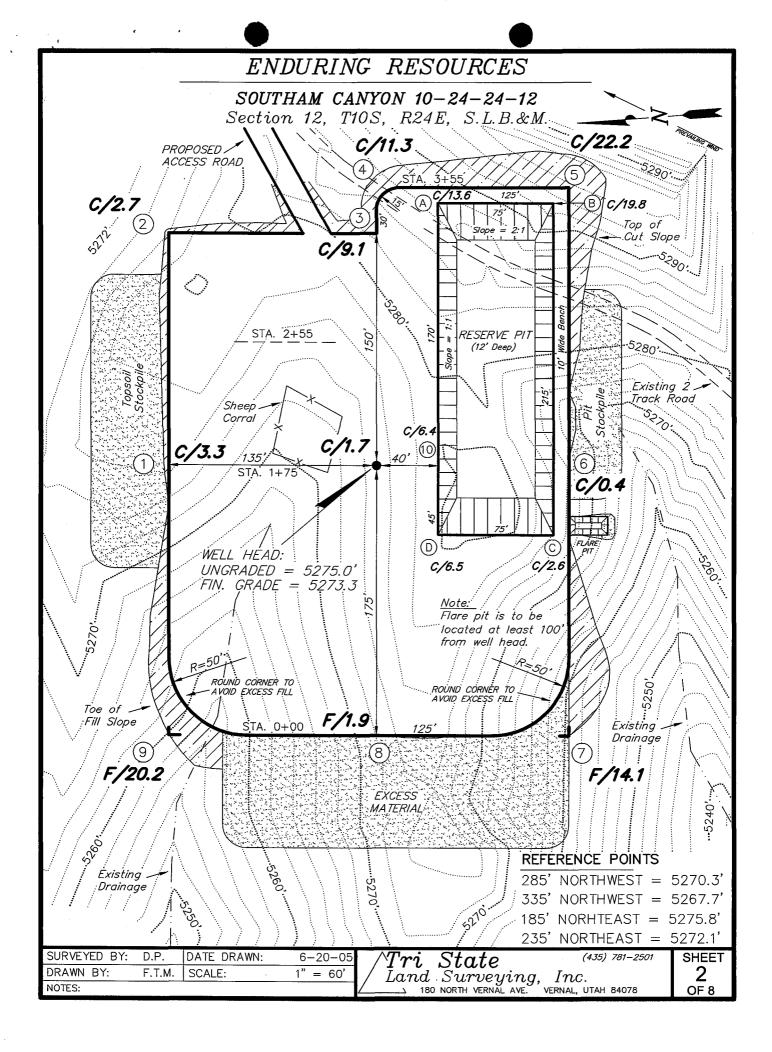
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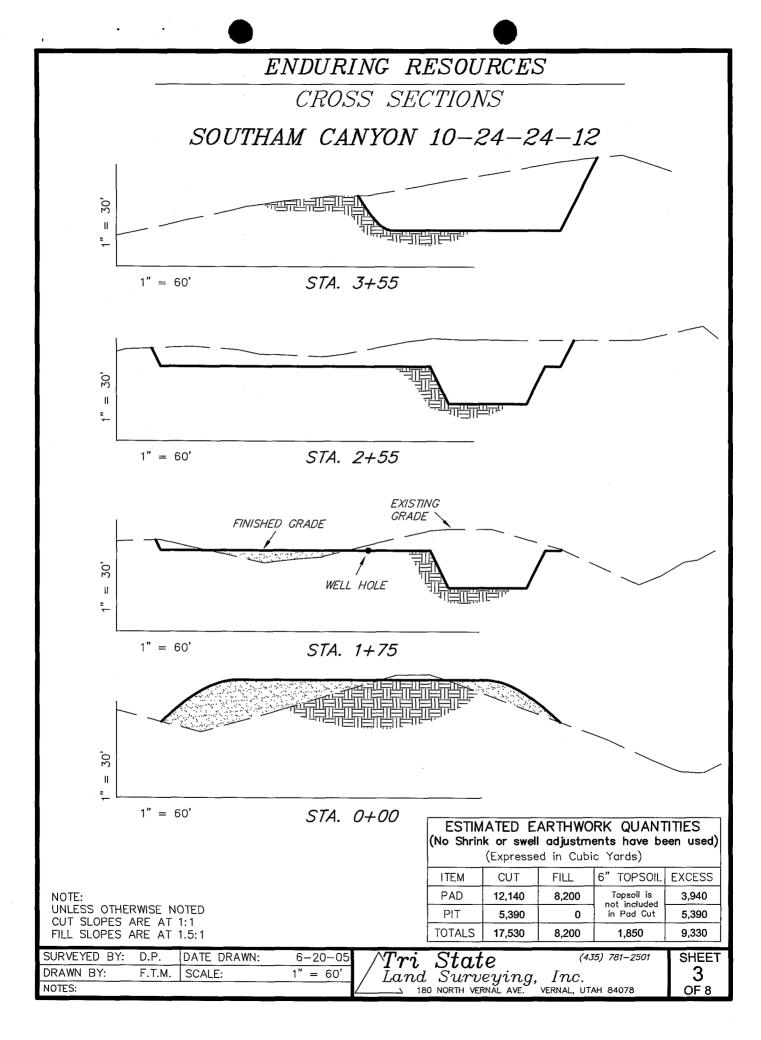
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WEST

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Land Surveying Puc.
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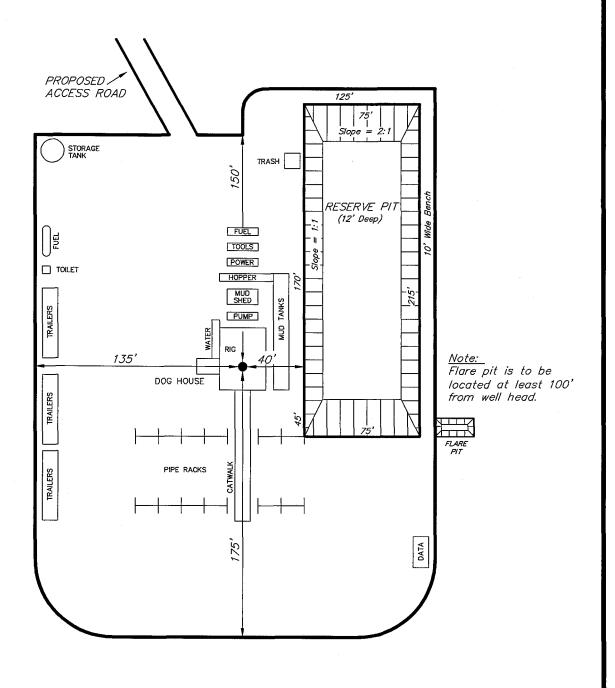




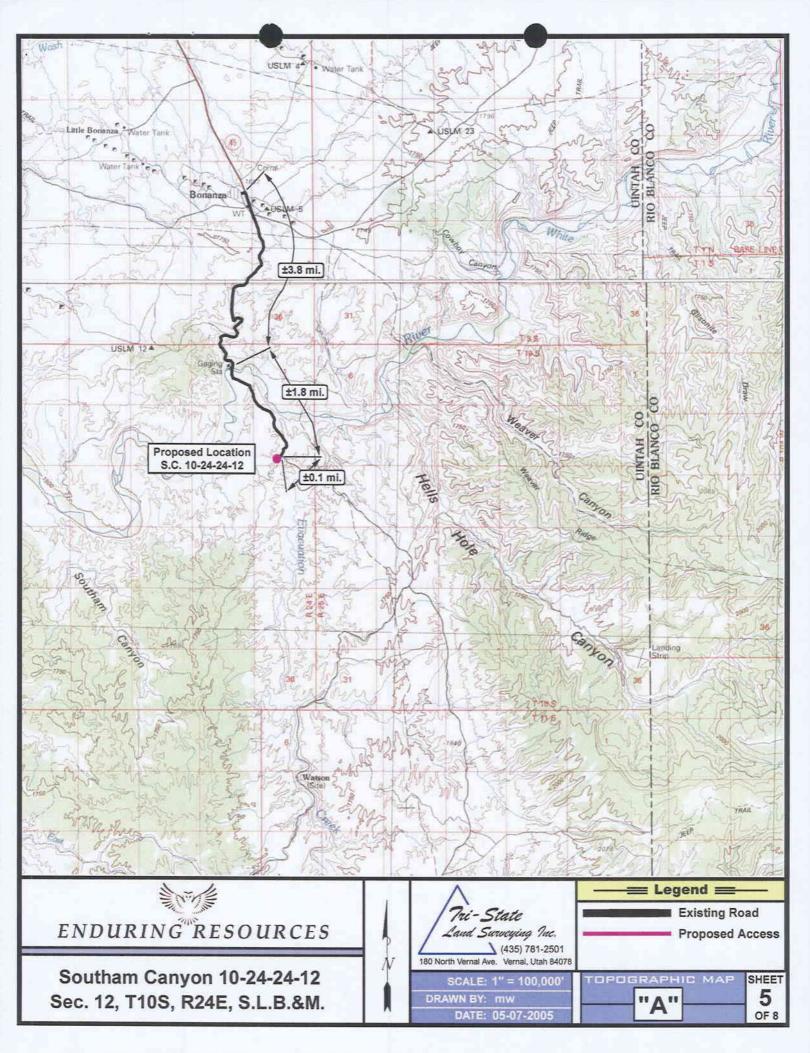


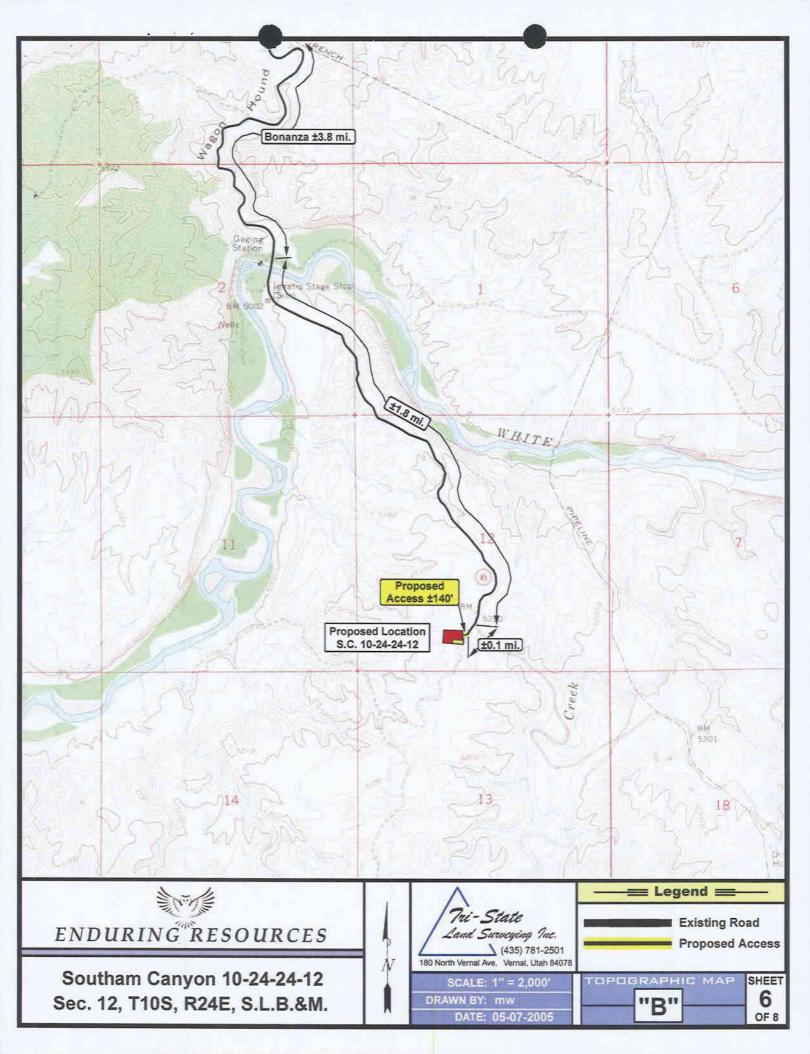
ENDURING RESOURCES

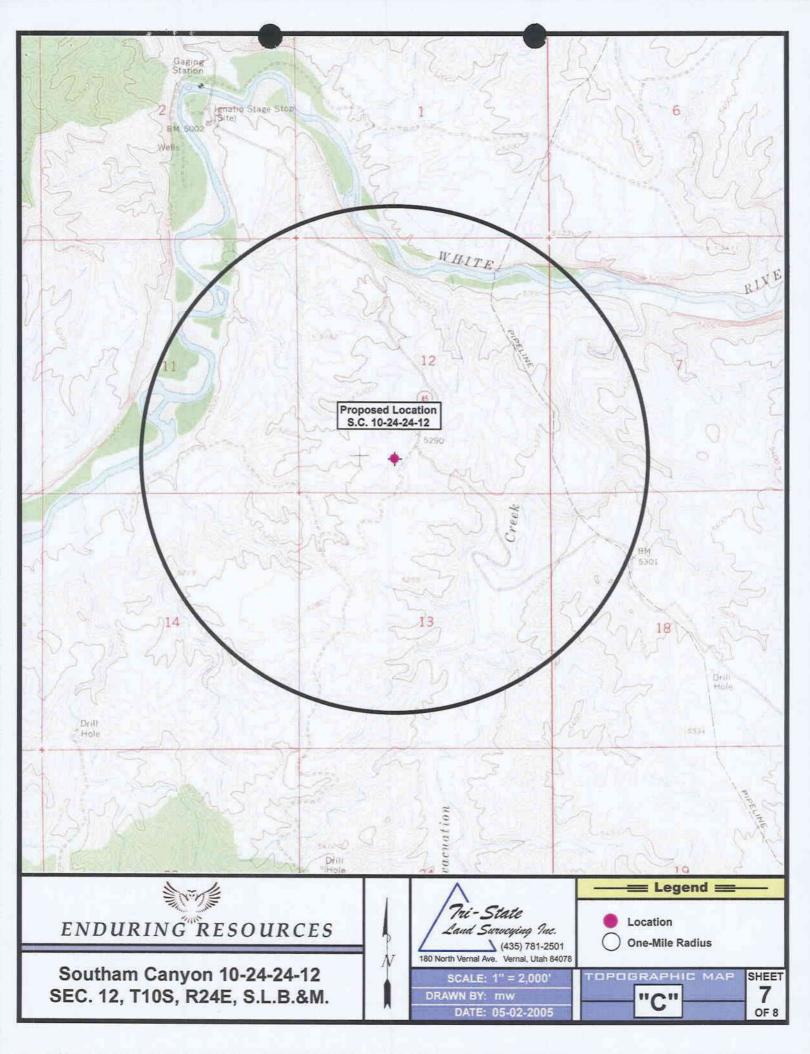
TYPICAL RIG LAYOUT SOUTHAM CANYON 10-24-24-12

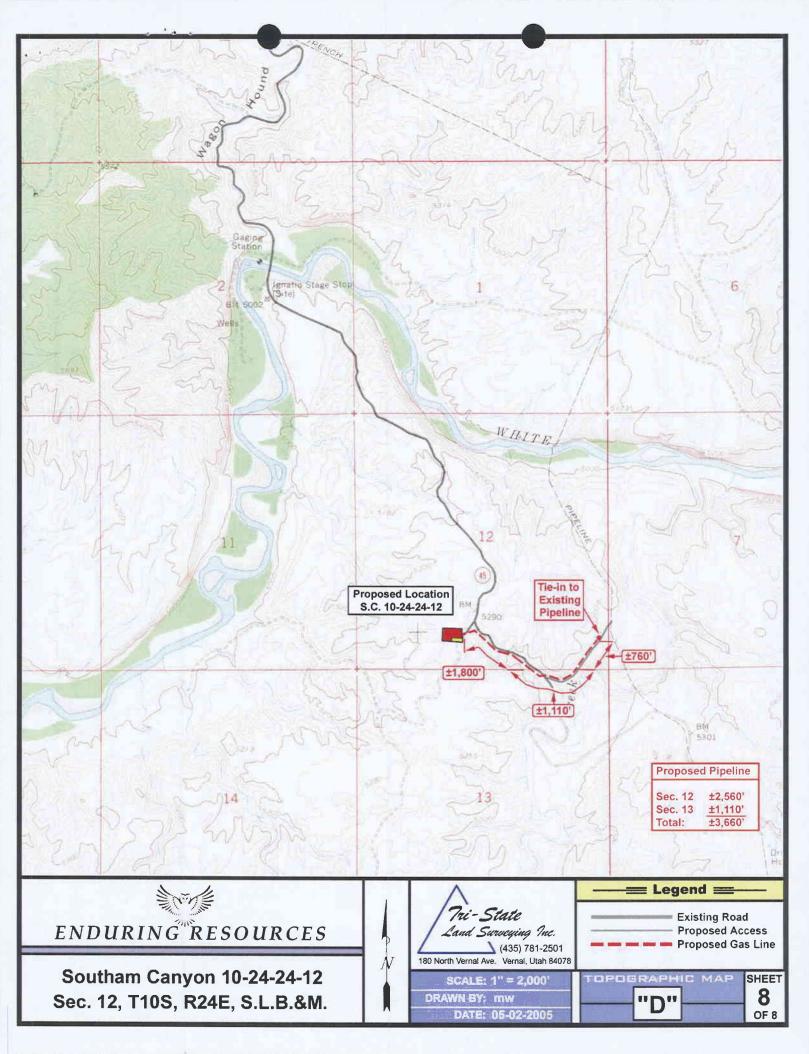


SURVEYED BY:	D.P.	DATE DRAWN:	6-20-05	$\wedge Tri$	State	(435) 781–2501	SHEET
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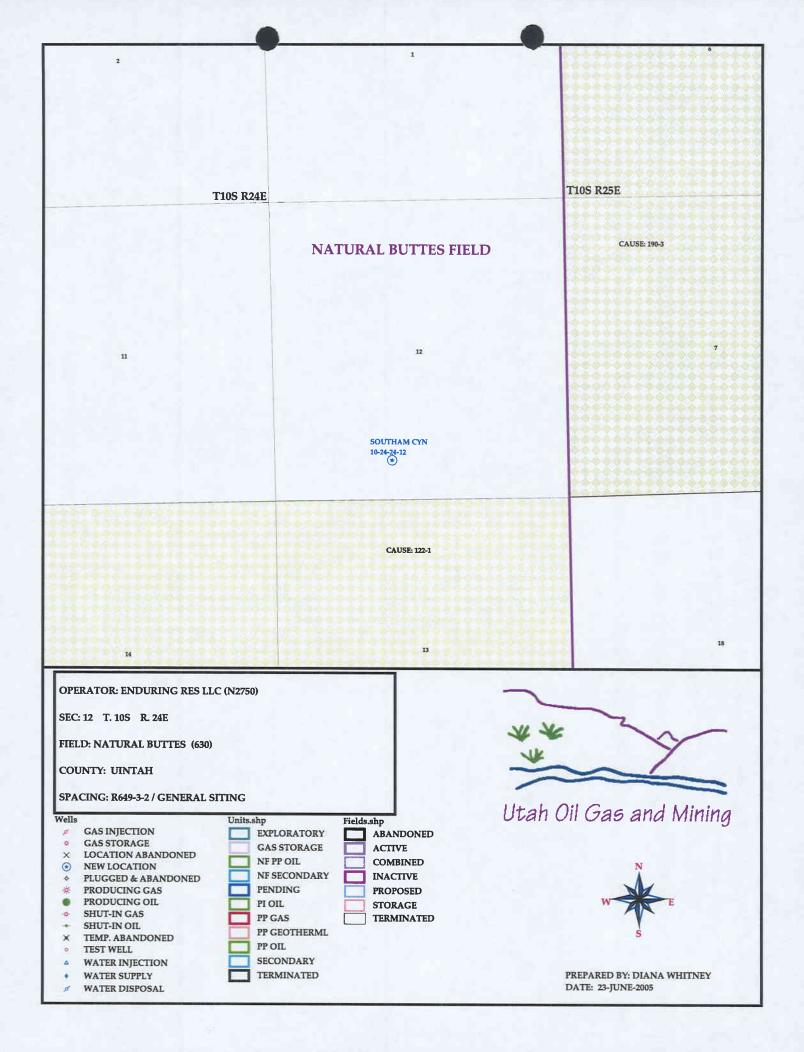


APD RECEIVED: 06/23/2005

WORKSHEET APPLICATION FOR PERMIT TO DRILL

API NO. ASSIGNED: 43-047-36789

WELL NAME: SOUTHAM CYN 10-24-24-12 OPERATOR: ENDURING RESOURCES, LLC (N275 CONTACT: PHYLLIS SOBOTIK	PHONE NUMBER: 303-350-5114
PROPOSED LOCATION: SESW 12 100S 240E SURFACE: 0708 FSL 2070 FWL BOTTOM: 0708 FSL 2070 FWL UINTAH NATURAL BUTTES (630) LEASE TYPE: 1 - Federal LEASE NUMBER: UTU-075518 SURFACE OWNER: 1 - Federal PROPOSED FORMATION: MVRD COALBED METHANE WELL? NO	INSPECT LOCATN BY: / / Tech Review Initials Date Engineering Geology Surface LATITUDE: 39.95814 LONGITUDE: -109.1639
RECEIVED AND/OR REVIEWED: Plat Bond: Fed[1] Ind[] Sta[] Fee[] (No. UTB000173) Potash (Y/N) Ni Oil Shale 190-5 (B) or 190-3 or 190- Water Permit (No. 43-2195) RDCC Review (Y/N) (Date:) NIM Fee Surf Agreement (Y/N)	LOCATION AND SITING: R649-2-3. Unit R649-3-2. General
COMMENTS: STIPULATIONS: 2-5	pacins Stip





State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

June 27, 2005

Enduring Resources, LLC 475 17th Street, Suite 1500 Denver, CO 80202

Re:

Southam Canyon 10-24-24-12 Well, 708' FSL, 2070' FWL, SE SW, Sec. 12,

T. 10 South, R. 24 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-36789.

Sincerely,

Gil Hunt

Acting Associate Director

Gil Thung

pab Enclosures

cc:

Uintah County Assessor

Bureau of Land Management, Vernal District Office

Operator:	Enduring Resources, LLC				
Well Name & Number	Southam Canyon 10-24-24-12				
API Number:	43-047-				
Lease:	UTU-0				
Location: SF SW	Sec. 12	T. 10 South	R. 24 East		

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
- 5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.



475 17th Street Suite 1500 Denver Colorado 80202 Telephone 303 573-1222 Fax 303 573 0461

August 2, 2005

Utah Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210 P. O. Box 145801 Salt Lake City, Utah 84114-5801

Attn.: Ms. Diana Whitney

RE:

Cultural Resource Inventory Report # MOAC 05-272

Paleontological Reconnaissance Report # MOAC 05-273 Access Road and Pipelines Sec 12 T10S-R24E

Uintah County, Utah

Dear Ms. Whitney:

Enclosed are the referenced reports for the following proposed well.

Southam Canyon #10-24-24-12 API # 43-047-36789 Lease # UTU-075518 SESW Sec. 12 T10S-R24E

If any questions arise or additional information is required, please contact me at 303-350-5114.

Sincerely,

Phyllis Sobotik

Regulatory Specialist

/ps

Enclosures:

AUG 0 3 2005

CULTURAL RESOURCE INVENTORY OF ENDURING RESOURCES' PROPOSED SOUTHAM CANYON 10-24-24-12 WELL LOCATION UINTAH COUNTY, UTAH

Keith R. Montgomery

Prepared For:

Bureau of Land Management Vernal Field Office

Prepared Under Contract With:

Enduring Resources, LLC 475 17th Street, Suite 1500 Denver, Colorado 80202

Prepared By:

Montgomery Archaeological Consultants P.O. Box 147 Moab, Utah 84532

MOAC Report No. 05-272

July 28, 2005

United States Department of Interior (FLPMA)
Permit No. 05-UT-60122

State of Utah Antiquities Project (Survey) Permit No. U-05-MQ-0761b

INTRODUCTION

A cultural resource inventory was conducted by Montgomery Archaeological Consultants (MOAC) in July 2005 for Enduring Resources' Southman Canyon 10-24-24-12 proposed well location with pipeline corridor. The project area occurs south of the White River in Uintah County, Utah. The survey was implemented at the request of Ms. Phyllis Sobotik, Enduring Resources, LLC, Denver, Colorado. A total of 16.8 acres was inventoried on public land administered by the Bureau of Land Management (BLM), Vernal Field Office.

The objective of the inventory was to locate, document, and evaluate any cultural resources within the project area in order to comply with Section 106 of 36 CFR 800, the National Historic Preservation Act of 1966 (as amended). Also, the inventory was implemented to attain compliance with a number of federal and state mandates, including the National Environmental Policy Act of 1969, the Archaeological and Historic Conservation Act of 1972, the Archaeological Resources Protection Act of 1979, the American Indian Religious Freedom Act of 1978, and Utah State Antiquities Act of 1973 (amended 1990).

The fieldwork was performed on July 23, 2005 by Keith R. Montgomery (Principal Investigator), under the auspices of U.S.D.I. (FLPMA) Permit No. 05-UT-60122 and State of Utah Antiquities Permit (Survey) No. U-05-MQ-0761b issued to MOAC.

A file search for the previous projects and documented cultural resources was completed by Keith Montgomery at the BLM Vernal Field Office on July 22, 2005. The file search indicated that several projects have been completed near the project area. In 1998, Alpine Archaeological Consultants inventoried the Mid-America Rocky Mountain Loop Pipeline project. One historic trash scatter (42Un2596) was documented adjacent to the proposed pipeline for Southman Canyon 10-24-24-12. This site is considered not eligible to the NRHP. In 2005, Montgomery Archaeological Consultants inventoried seven well locations for Enduring Resources north of the current project area. The inventory resulted in the documentation of two archaeological sites (42Un4830 and 42Un4831). 42Un4830 is a cache of Ute tepee poles and leather strips. These types of structural remains are very rare; hence, this is a particularly significant find for the area. 42Un4831 is a probable Ute rock art panel with a composition of tepee and horse depictions.

DESCRIPTION OF PROJECT AREA

The proposed Enduring Resources' Southman Canyon 10-24-24-12 well location with pipeline corridor is situated along the west side of Evacuation Creek, south of the White River. The proposed well location is situated in the SW/SE of Section 12, Township 10 South, Range 24 E. The pipeline extends east for approximately 3000 ft through Sections 12 and 13, Township 10 South, Range 24 E (Figure 1).

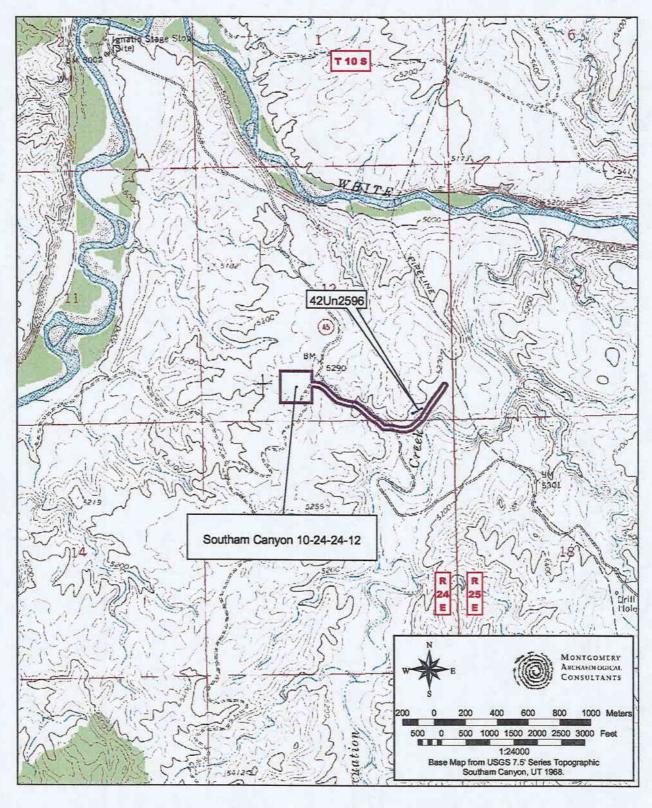


Figure 1. Inventory Area of Southman Canyon 10-24-24-12 Well Location and Pipeline Corridor, Uintah County, Utah.

Environment

The study area lies within the Uinta Basin physiographic unit, a distinctly bowl-shaped geologic structure (Stokes 1986:231). The Uinta Basin ecosystem is within the Green River drainage, considered to be the northernmost extension of the Colorado Plateau. The geology is comprised of Tertiary age deposits which include Paleocene age deposits, and Eocene age fluvial and lacustrine sedimentary rocks. The Uinta Formation, which is predominate in the project area, occurs as eroded outcrops formed by fluvial deposited, stream laid interbedded sandstone and mudstone, and is known for its prolific paleontological localities.

Specifically, the project area is situated along the benches just west of Evacuation Creek and south of the White River. Surface geology consists of hard pan residual soil armored with shale and sandstone pebbles. The elevation ranges between 5200 ft and 5290 ft a.s.l. The project occurs within the Upper Sonoran Desert Shrub Association which includes sagebrush, shadscale, greasewood, mat saltbush, snakeweed, rabbitbrush, prickly pear cactus, Indian ricegrass and other grasses. Modern disturbances include roads and oil/gas development.

SURVEY METHODOLOGY

An intensive pedestrian survey was performed for this project which is considered 100% coverage. At the proposed well location, a ten acre area centered on the center stake of the location was surveyed by the archaeologist walking parallel transects spaced no more than 10 m (30 ft) apart. The pipeline corridor was 100 ft wide, surveyed by walking parallel transects along the staked centerline, spaced no more than 10 m (30 ft) apart. Ground visibility was considered to be good. A total of 16.8 acres was inventoried for cultural resources on public land administered by the Bureau of Land Management (BLM), Vernal Field Office.

RESULTS AND RECOMMENDATIONS

The cultural resource inventory of the proposed Enduring Resources' Southman Canyon 10-24-24-12 well location with pipeline corridor resulted in the location of a previously documented site (42Un2596). This is a historic trash scatter recorded in 1998 by Alpine Archaeological Consultants. It consists of a scatter of glass and metal artifacts which includes purple glass, sanitary tin cans, sardine cans, tobacco tins, and a telephone pole with insulator. The site is considered not eligible for inclusion to the NRHP. Based on the findings, a determination of "no historic properties affected" is recommended for the undertaking pursuant to Section 106, CFR 800.

REFERENCES CITED

Alpine Archaeological Consultants

1998 IMACS SITE FORM: 42Un2596 on file at the Utah State Historical Preservation

Office, Salt Lake City.

Fredenberg, K., and T. Seacat

2005

Cultural Resource Inventory of Enduring Resources Seven Proposed Well Locations, Access and Pipelines in T9S, R24E Sections 22, 27, 30, 34, 36 and T10S, R25E Section 6 in Uintah County, Utah. Montgomery Archaeological Consultants; Project No. U-05-MQ-0616.

•

Stokes, W.L.

1986

Geology of Utah. Utah Museum of Natural History and Utah Geological and Mineral

Survey, Salt Lake City.

Paleontological Reconnaissance Report

Enduring Resources Proposed Well Pad, Access Road, and Pipeline for "Southam Canyon #10-24-24-12" (Sec. 12, T 10 S, R 24 E)

Southam Canyon Topographic Quadrangle Uintah County, Utah

July 21, 2005

Prepared by Stephen D. Sandau Paleontologist for Montgomery Archaeological Consultants Box 147, 322 East 100 South Moab, Utah 84532

INTRODUCTION

At the request of Phyllis Sobotik, of Enduring Resources, LLC, and authorized by John Mayers of the BLM Vernal Field Office, a paleontological reconnaissance survey of Enduring's proposed well pad, access road, and pipeline for "Southam Canyon #10-24-24-12" (Sec. 12, T 10 S, R 24 E) was conducted by Andrew Stanton July 21, 2005. The survey was conducted under Utah BLM Paleontological Resources Use Permit #UT-S-05-033. This survey to collect any paleontological materials discovered during the construction processes in danger of damage or destruction was done to meet requirements of the National Environmental Policy Act of 1969, and other State and Federal laws and regulations that protect paleontological resources.

FEDERAL AND STATE REQUIREMENTS

As mandated by the US Department of the Interior Bureau of Land Management, paleontologically sensitive geologic formations in BLM lands that are considered for exchange or may be impacted due to ground disturbance require paleontological evaluation. This requirement complies with:

- 1) The National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321.et. Seq., P.L. 91-190);
- 2) The Federal Land Policy and Management Act (FLPMA) of 1976 (90 Stat. 2743, 43 U.S.C. § 1701-1785, et. Seq., P.L. 94-579).

Under policy dictated by the BLM Manual and Handbook H-8270-1 (July, 1998) formations are ranked according to their paleontological potential:

- Condition 1 is applied to those areas known to contain fossil localities, and special consideration of the known resources is in need of evaluation.
- Condition 2 is applied to areas that have exposures of geologic rock units known to have produced fossils elsewhere.
- Condition 3 is applied to areas unlikely to produce fossils based on surficial geology.

Although these guidelines apply mostly to vertebrate fossils, they are equally designed to help protect rare plant and invertebrate fossil. It should be noted that many fossils, though common and unimpressive in and of themselves, can be important paleo-environmental, depositional, and chronostratigraphic indicators.

LOCATION

The proposed well pad, access road, and pipeline for "Southam Canyon #10-24-24-12" (Sec. 12, T 10 S, R 24 E) on land managed by the BLM, one mile south of the White River, and some 5 miles south/southeast of Bonanza, Utah. The project areas can be found on the Southam Canyon 7.5 minute U. S. Geological Survey Quadrangle Map, Uintah County, Utah.

PREVIOUS WORK

The basins of western North America have long produced some of the richest fossil collections in the world. Early Cenozoic sediments are especially well represented throughout the western interior. Paleontologists started field work in Utah's Uinta Basin as early as 1870 (Betts, 1871; Marsh, 1871, 1875a, 1875b). The Uinta Basin is located in the northeastern corner of Utah and covers approximately 31,000 sq. km (12,000 sq. miles) and ranges in elevation from 1,465 to 2,130 m (4,800 to 7,000 ft) (Marsell, 1964; Hamblin et al., 1987). Middle to late Eocene time marked a period of dramatic change in the climate, flora, (Stucky, 1992), and fauna (Black and Dawson, 1966) of North America.

GEOLOGICAL AND PALEONTOLOGICAL OVERVIEW

Early in the geologic history of Utah, some 1,000 to 600 Ma, an east-west trending basin developed creating accommodation for 25,000 feet of siliclastics. Uplift of that filled-basin during the early Cenozoic formed the Uinta Mountains (Rasmussen et al., 1999). With the rise of the Uinta Mountains the asymmetrical synclinal Uinta Basin is thought to have formed through the effects of down warping in connection with the uplift. Throughout the Paleozoic and Mesozoic, deposition fluctuated between marine and non-marine environments laying down a thick succession of sediments in the area now occupied by the Uinta Basin. Portions of these beds crop out on the margins of the basin due to tectonic events occurring during the late Mesozoic.

Early Tertiary Uinta Basin sediments were deposited in alternating lacustrine and fluvial environments. Large shallow lakes periodically covered most of the basin and surrounding areas during early to mid Eocene time (Abbott, 1957). These lacustrine sediments show up in the western part of the basin, dipping 2-3 degrees to the northeast and are lost in the subsurface on the east side. The increase of cross-bedded coarse-grained sandstone and conglomerates preserved in paleo-channels indicates a transition to a fluvial environment toward the end of the epoch.

Four Eocene formations are recognized in the Uinta Basin: the Wasatch, Green River, Uinta, and Duchesne River, respectively (Wood, 1941). The Uinta Formation is subdivided into two lithostratigraphic units namely: the Wagonhound Member (Wood, 1934), formerly known as Uinta A and B (Osborn, 1895, 1929), and the Myton Member previously regarded as the Uinta C.

The Green River Formation was traditionally subdivided up into four stratigraphic units namely from oldest to youngest the Douglas Creek, Garden Gulch, Parachute, and Evacuation

Creek Members (Bradley, 1931). Later, many authors introduced varying terminology to describe the Green River Formation (Dane, 1955; Cashion and Donnell, 1974; Ryder et al., 1976; Bryant et al., 1989 and Weiss et al., 1990). When describing Green River beds in the eastern portion of the basin the member names will be used and in the western portion of the basin description by facies will be employed (Table 1). For detailed description of the Green River Formation facies see the above mentioned references.

Within the Uinta Basin in northeast Utah, the Uinta Formation in the western part of the basin is composed primarily of lacustrine sediments interfingering with over-bank deposits of silt and mudstone and westward flowing channel sands, fluvial clays, and muds in the east (Bryant et al, 1990; Ryder et al, 1976). Stratigraphic work done by early geologists and paleontologists within the Uinta Formation focused on the definition of rock units and attempted to define a distinction between early and late Uintan faunas (Riggs, 1912; Peterson and Kay, 1931; Kay 1934). More recent work focused on magnetostratigraphy, radioscopic chronology, and continental biostratigraphy (Flynn, 1986; Prothero, 1996). Well known for its fossiliferous nature and distinctive mammalian fauna of mid-Eocene Age, the Uinta Formation is the type formation for the Uintan Land Mammal Age (Wood et al, 1941).

Starr Flat Memb. Fluvial siltstone, sandstone, conglomerate Lapoint Memb. Fluvial mudstone, claystone, sandstone Dry Gulch Creek Memb. Fluvial claystone, sandstone Brennan Basin Memb. Fluvial claystone, sandstone, pebbly sandstone			Duchesne River Formation
	/ton Memb. luvial claystones, sandstones	"C"	ation
W W	agonhound Memb. Fluvial siltstones,	"B"	a Formation
Saline Facies	sandstones "A		Uinta
Carbonate- Sapropelic	Evacuation Cree Memb.		_
Shale Facies	Parachute Creek Memb.		Green Rive Formation
Fluvial Facies	Garden Gulch Memb.		Greel Form
Black Shale Facies	Douglas Creek Memb.		

Table 1. Uinta Basin stratigraphy

The Duchesne River Formation of the Uinta Basin in northeastern Utah is composed of a succession of fluvial and flood plain deposits composed of mud, silt, and sandstone. The source area for these late Eocene deposits is from the Uinta Mountains indicated by paleocurrent data (Anderson and Picard, 1972). In Peterson's (1931c) paper, the name "Duchesne Formation" was applied to the formation, and it was later changed to the "Duchesne River Formation" by Kay (1934). The formation is divided up into four members: the Brennan Basin, Dry Gulch Creek, Lapoint, and Starr Flat (Anderson and Picard, 1972). Debates concerning the Duchesne River Formation, as to whether its age was late Eocene or early Oligocene, have surfaced throughout the literature of the last century (Wood et al., 1941; Scott 1945). Recent paleomagnetostratigraphic work (Prothero, 1996) shows that the Duchesne River Formation is late Eocene in time.

FIELD METHODS

In order to determine if the proposed pipeline corridor and well pad from this project contained any paleontological resources, a brief reconnaissance survey was performed. An onsite observation of the proposed areas undergoing surficial disturbance is necessary, because judgments made from topographic maps alone are often unreliable. Areas of low relief have potential to be erosional surfaces with the possibility of bearing fossil materials rather than surfaces covered by unconsolidated sediment or soils.

When found within the proposed construction areas, outcrops and erosional surfaces were checked to determine if fossils were present and to assess needs. Careful effort is made during surveys to identify and evaluate significant fossil materials or fossil horizons when they are found. Microvertebrates, although rare, are occasionally found in anthills or upon erosional surfaces, and are of particular importance.

PROJECT AREA

The project site is situated in the Wagonhound Member (Uinta A & B) of the Uinta Formation, and the Evacuation Creek Member of the Green River Formation. The short proposed access road departs west off and existing road, and enters the proposed well pad staked in the SE/SW quarter-quarter section of Sec. 12, T 10 S, R 24 E (Figure 1). The well pad and the access road are situated on ground covered in soil and vegetated with grass. An outcrop of tan fluvial sandstone flanks the outside of the well pad to the east.

The long proposed pipeline route for this location ties into an existing pipeline near the eastern edge of section 12, and hooks its way southwest and then to the northwest. It first follows along side and old two-track, and then beside an existing road till it reaches the proposed well pad. The pipeline route first traverses over ground exposed in green, tan, and grayish shale of the Evacuation Creek Member, and then as it heads up slope it crosses over tan fluvial sandstones and green over-bank deposits of the Wagonhound Member. No fossils were found along the route or within the staked well pad area.

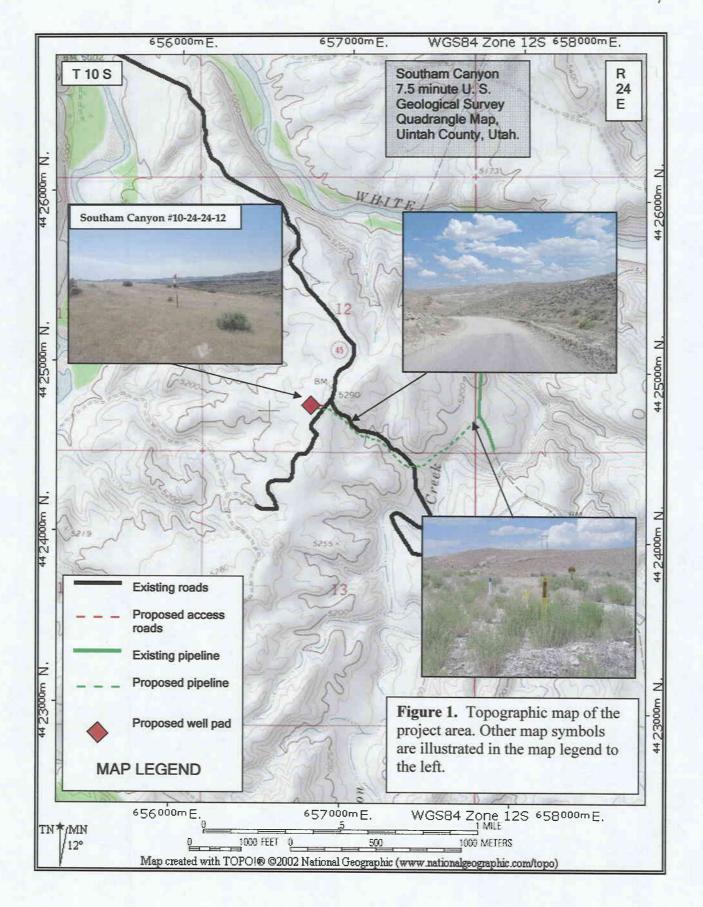
SURVEY RESULTS

WELL	GEOLOGY	PALEONTOLOGY
"Southam	The well pad and the access road are situated on	No fossils were found
Canyon #10-24-	ground covered in soil and vegetated with grass.	along the route or within
24-12" (Sec. 12,	An outcrop of tan fluvial sandstone flanks the	the staked well pad area.
T 10 S, R 24 E)	outside of the well pad to the east. The pipeline	Condition 2
	route first traverses over ground exposed in green,	
	tan, and grayish shale of the Evacuation Creek	
	Member, and then as it heads up slope it crosses	
	over tan fluvial sandstones and green over-bank	
	deposits of the Wagonhound Member.	

RECOMMENDATIONS

The reconnaissance survey executed for Enduring's proposed well pad, access road, and pipeline for "Southam Canyon #10-24-24-12" (Sec. 12, T 10 S, R 24 E) was brief. The staked areas showed no signs of fossil materials inside of the proposed construction sites. Therefore, no credible reason to limit construction within the staked areas was found.

However, if vertebrate fossil(s) are found during construction of any of the other locations covered in this report, recommendations are that a paleontologist is immediately notified in order to collect fossil materials in danger of being destroyed. Any vertebrate fossils found should be carefully moved outside of the construction areas to be checked by a permitted paleontologist.



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- Betts, C. W., 1871, The Yale College expedition of 1870: Harper's New Monthly Magazine, v. 43, p. 663-671.
- Black, C. C. and Dawson, M. R., 1966, A review of Late Eocene mammalian faunas from North America: American Journal of Science, v. 264, p. 321-349.
- Bradley, W. H., 1931, Origin and microfossils of the oil shale of the Green River Formation of Colorado and Utah: U.S. Geological Survey Professional Paper 168, 58 p.
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- Cashion, W. B., and Donnell, J. R., 1974, Revision of nomenclature of the upper part of the Green River Formation, Piceance Creek Basin, Colorado, and eastern Uinta Basin, Utah: U.S. Geological Survey Bulletin 1394-G, 9 p.
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- Hamblin, A. H. and Miller, W. E., 1987, Paleogeography and paleoecology of the Myton Pocket, Uinta Basin, Utah (Uinta Formation-Upper Eocene): Brigham Young University Geology Studies, vol. 34, p 33-60.
- Kay, J. L., 1934, Tertiary formations of the Uinta Basin, Utah: Annals of Carnegie Museum, v. 23, p. 357-371.
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JUN 2 3 2005

Form 3160-3

FORM APPROVED BLM VERNAL, UTAH OMB No. 1004-0137 Expires March 31, 2007 (April 2004) Lease Serial No. DEPARTMENT OF THE INTERIOR UTU-075518 BUREAU OF LAND MANAGEMENT If Indian, Allotee or Tribe Name APPLICATION FOR PERMIT TO DRILL OR REENTER 7 If Unit or CA Agreement, Name and No. **V** DRILL REENTER la. Type of work: 8. Lease Name and Well No. Oil Well Gas Well ✓ Single Zone Multiple Zone lb. Type of Well: Southam Canvon 10-24-24-12 Name of Operator 9. API Well No **Enduring Resources, LLC** 3a. Address 475 17th Street, Suite 1500 Denver, CO 80202 3b. Phone No. (include area code) 303-350-5114 11, Sec., T. R. M. or Blk. and Survey or Area Location of Well (Report location clearly and in accordance with any State requirements.*) SESW 708' FSL 2070' FWL At surface Sec 12 T10S R24E S.L.B.&M. At proposed prod. zone Same as surface 12. County or Parish 14. Distance in miles and direction from nearest town or post office* 5.7 miles South from Bonanza, Utah Uintah UT 15. Distance from proposed* 17. Spacing Unit dedicated to this well 16. No. of acres in lease 7081 location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1558.37 80 acres 18. Distance from proposed location* 19. Proposed Depth 20. BLM/BIA Bond No. on file to nearest well, drilling, completed, applied for, on this lease, ft. N/A 61921 BLM - UTB000173 Elevations (Show whether DF, KDB, RT, GL, etc.) 22. Approximate date work will start* 23. Estimated duration 5275.0' GL Ungraded 09/15/2005 20 days 24. Attachments The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form: 1. Well plat certified by a registered surveyor. 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 2. A Drilling Plan. Operator certification 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). Such other site specific information and/or plans as may be required by the authorized officer. Name (Printed/Types) tand name (Printed/Type 25. Signature Name (Printed/Typed) Title Office Mineral Récources

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

CONDITIONS OF APPROVAL ATTACHED

NOTICE OF APPROVAL

RECEIVED NOV 2 1 2005



UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT **VERNAL FIELD OFFICE** 170 South 500 East VERNAL, UT 84078 (435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:

Enduring Resources, LLC

Location:

SESW Sec 12, T10S, R24E

Well No:

Southam Canyon 10-24-24-12

Lease No:

UTU-75518

Petroleum Engineer: Matt Baker Petroleum Engineer: Michael Lee Office: 435-781-4490 Office: 435-781-4432 Cell: 435-828-4470 Cell: 435-828-7875

Supervisory Petroleum Technician: Jamie Sparger

Office: 435-781-4502

Cell: 435-828-3913

BLM FAX Machine

435-781-4410

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval.. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations.

Downhole Conditions of Approval

All provisions outlined in Onshore Oil and Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

- 1. Top job surface casing with premium cement.
- 2. Surface casing shoe integrity test shall be required.

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- There shall be no deviation from the proposed drilling, completion, and/or workover 1. program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of 2. spudding.

Page 2 of 5 Well Name/#: Southam Canyon 10-24-24-12 11/10/2005

- 3. <u>Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least</u>
 24 hours in advance of casing cementing operations and BOPE & casing pressure
 tests.
- 4. Blowout prevention equipment (BOPE) will remain in use until the well is completed or abandoned. Closing unit controls must remain unobstructed and readily accessible at all times. Choke manifolds must be located outside of the rig substructure.

All BOPE components will be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil and Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests must be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test must be reported in the driller's log.

BOP drills must be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil and Gas Order No. 2.

Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.

No aggressive/fresh hard-banded drill pipe shall be used within casing.

- 5. All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows will be adequately tested for commercial possibilities, reported, and protected.
- 6. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the BLM, Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM, Vernal Field Office must be obtained and notification given before resumption of operations.
- 7. Chronologic drilling progress reports must be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

Any change in the program must be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) must be filed for all changes of plans and other operations in accordance with 43 CFR ' 3162.3-2.

Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, will require the filing of a suitable plan pursuant to Onshore Oil and Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.

Page 3 of 5 Well Name/#: Southam Canyon 10-24-24-12 11/10/2005

In accordance with 43 CFR ' 3162.4-3, this well must be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report should be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.

8. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) will be submitted only when requested by the BLM, Worland Field Office.

Please submit an electronic copy of all logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM. The cement bond log must be submitted in raster format (TIF, PDF other).

9. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the BLM, Vernal Field Office.

All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.

- 10. Oil and gas meters will be calibrated in place prior to any deliveries. The Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.
- 11. A schematic facilities diagram as required by Onshore Oil and Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil and Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil and Gas Order No. 3.
- 12. This APD is approved subject to the requirement that, should the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:

a. Operator name, address, and telephone number.

b. Well name and number.

c. Well location (1/41/4, Sec., Twn, Rng, and P.M.).

d. Date well was placed in a producing status (date of first production for which royalty will be paid).

e. The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).

f. The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.

g. Unit agreement and / or participating area name and number, if applicable.

h. Communitization agreement number, if applicable.

- 13. Any venting or flaring of gas will be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.
- 14. All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, will be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Pursuant to Onshore Oil and Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method should be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- 16. Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

Page 5 of 5 Well Name/#: Southam Canyon 10-24-24-12 11/10/2005

Company/Operator: Well Names and Numbers:

Enduring Resources, LLC Southam Canvon 10-24-24-12

Lease Number:

UTU-75518

Location:

NWNW Section 12 T10S R24E

API Number:

43-047-36789

Surface Ownership:

BLM

Date NOS Received:

none

Date APD Received:

06/23/2005

- If any paleontological or cultural materials are encountered, stop work immediately and report the find to this office.
- The AO may prohibit surface disturbing activities during wet and muddy periods to minimize watershed damage. This limitation does not apply to operation and maintenance of producing wells.
- -4 to 6 inches of topsoil shall be stripped from the locations and placed as shown on the
 cut sheet. The topsoil on the wells shall be respread over the entire location as soon as
 completion operations have been finished and prior to setting the production equipment.
 The areas of the location not needed for production operations, including the reserve
 pits, shall be seeded with the recommended seed mix shown below.
- The interim seed mixture for the location will be:

Indian Ricegrass

Pleuraphis hymenoides

4lbs. /acre

Needle and Threadgrass

Stipa comata

4lbs. /acre

Hycress Crested Wheatgrass Agropyron cristatum

4lbs. /acre

- ✓ All pounds are in pure live seed.
- ✓ Reseeding may be required if first seeding is not successful.
- Once the location is plugged and abandoned, it will be recontoured to natural contours, topsoil will be respread where appropriate. A site specific seed mix will be provided for each location at the time of final abandonment. Seeding will take place by broadcasting the seed and walking it into the soil with a dozer immediately after the dirt work is completed.
- The reserve pits will be lined with a minimum of 16mm felt and plastic.
- The production equipment will be colored Carlsbad Canyon.
- A new corral will be constructed to replace the existing corral under the advisement of a BLM (AO) in cooperation with Nick Theos (grazing permittee). The new corral will be constructed post completion of the well.

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

DIVISION OF OIL, GAS AND MINING 5. LEASE DESIGNATION UTU-075518	N AND SERIAL NUMBER:
SUNDRY NOTICES AND REPORTS ON WELLS 6. IF INDIAN, ALLOTTEE	OR TRIBE NAME:
n/a 7. UNIT or CA AGREEME	ENT NAME.
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	ENT NAME.
1. TYPE OF WELL OIL WITH TO CAS WITH TO CA	
Southam Carry	on 10-24-24-12
2. NAME OF OPERATOR: Enduring Resources, LLC 9. API NUMBER: 4304736789	
3. ADDRESS OF OPERATOR: PHONE NUMBER: 10. FIELD AND POOL, O	OR WILDCAT:
475 17th Street, Suite 1500 Denver STATE CO 210 80202 (303) 350-5114 Wildcat	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 708' FSL - 2070' FWL COUNTY: Uintah	
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 12 10S 24E S STATE:	JTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER I	DATA
TYPE OF SUBMISSION TYPE OF ACTION	
✓ NOTICE OF INTENT ☐ ACIDIZE ☐ DEEPEN ☐ REPERFORATE	CURRENT FORMATION
(Submit in Duplicate) ALTER CASING FRACTURE TREAT SIDETRACK TO	REPAIR WELL
Approximate date work will start: CASING REPAIR NEW CONSTRUCTION TEMPORARILY	ABANDON
4/28/2006 CHANGE TO PREVIOUS PLANS OPERATOR CHANGE TUBING REPAIR	3
CHANGE TUBING PLUG AND ABANDON VENT OR FLARE	E
SUBSEQUENT REPORT CHANGE WELL NAME PLUG BACK WATER DISPOS	
Date of work completion: CHANGE WELL STATUS PRODUCTION (START/RESUME) WATER SHUT-C	
Exto	uest for APD ension
CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.	
4. Off I are a manufacture with a second of the second of	
1. Off-Lease r-o-w for pipeline was not received until February-2006 from the BLM.	
Enduring Resources, LLC respectfully request an extension to the expiration date of this Application for P	Permit to Drill
FROM: 6-27-2006 TO: 6-27-2007	
2. Type of Well in APD is changed from Single Zone to Multiple Zone. Approved by the	## ## ##
Utah Division of Oil, Gas and Mining	•
Date: $OS OH - OG$	
7-19-06 By: Nelle 411	<u>V</u>
CHO	
100 miles and the second of th	
NAME (PLEASE PRINT) Alvin R. (AI) Arlian TITLE Landman - Regulatory Specialist	
NAME (PLEASE PRINT)	
SIGNATURE	

Application for Permit to Drill Request for Permit Extension Validation

Validation
(this form should accompany the Sundry Notice requesting permit extension)

API: 4304736789 Well Name: Southam Canyon 10-24-24-12 Location: 708' FSL - 2070' FWL SESW, Se	c 12, T10S-R24E
Company Permit Issued to: Enduring Resordate Original Permit Issued: 6/27/2005	
The undersigned as owner with legal rights above, hereby verifies that the information approved application to drill, remains valid a	as submitted in the previously
Following is a checklist of some items relate verified.	ed to the application, which should be
If located on private land, has the ownershi agreement been updated? Yes□No□	p changed, if so, has the surface
Have any wells been drilled in the vicinity o the spacing or siting requirements for this lo	f the proposed well which would affect ocation? Yes⊡ No ☑
Has there been any unit or other agreemen permitting or operation of this proposed we	ts put in place that could affect the ll? Yes□ No ☑
Have there been any changes to the acces of-way, which could affect the proposed loc	s route including ownership, or right- ation? Yes□No☑
Has the approved source of water for drilling	g changed? Yes⊡No⊠
Have there been any physical changes to t which will require a change in plans from w evaluation? Yes□No☑	he surface location or access route hat was discussed at the onsite
Is bonding still in place, which covers this p	roposed well? Yes⊠No□
	4/28/2006
Signature	Date
Title: Landman - Regulatory Specialist	
Representing: Enduring Resources, LLC	

Form 3160-5 (April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR AUG 1 8 2006 BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

	Expires. Materi 51, 2007	
5.	Lease Serial No.	
	UTU-075518	
6.	If Indian, Allottee or Tribe Name	•
	n/a	
_	ISI Init on CA /A amount Name and/or No	•

SUBMIT IN TRIPLICATE- Other instructions on reverse side.			7. If Unit or	CA/Agreement, Name and/or No.	
1. Type of Well			8. Well Nan		
2. Name of Operator Enduring Re	sources, LLC			9. API We	n Canyon 10-24-24-12 ll No.
Address 3b. Phone No. (include area code) 475 17th Street, Suite 1500, Denver, CO 80202 303-573-1222			43-047- 10. Field and	36789 I Pool, or Exploratory Area	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 708' FSL - 2,070' FWL SESW Sec 12-T10S-R24E			Undesignated 11. County or Parish, State Uintah, Utah		
12. CHECK A	PPROPRIATE BOX(ES) TO	INDICATE NATUR	E OF NOTICE, R	EPORT, OR	OTHER DATA
TYPE OF SUBMISSION		TYP	E OF ACTION		
Notice of Intent Subsequent Report Final Abandonment Notice	Acidize Alter Casing Casing Repair Change Plans Convert to Injection	Deepen Fracture Treat New Construction Plug and Abandon Plug Back	Production (State Reclamation Recomplete Temporarily At Water Disposal	,	Water Shut-Off Well Integrity Other APD extension

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Because of rig shortages and well back logs, Enduring Resources, LLC ("Enduring") will not be able to get this well drilled.

1. Enduring respectfully requests a one-year extension to the APD term:

APD

Granted: Nov-12-2005

APD

Expires: Nov-12-2006

Requested APD Extension to: Nov-12-2007

RECEIVED

OCT 2 3 2006

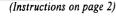
2. Enduring also requests that the APD be changed from Single Zone to Multiple Zone.

DIV. OF OIL, GAS & MINING

CONDITIONS OF APPROVAL ATTACHED

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)		
Alvin R. (Al) Arlian	Title	Landman - Regulatory Specialist
Signature //	Date	08/17/2006
THIS SPACE FOR FEDE	RAL OR	STATE OFFICE USE
Approved by Max Bale	Petro	pleum Engineer. OCT 1 2 2006
Conditions of approval, if any, are attached. Approval of this notice does not certify that the applicant holds legal or equitable title to those rights in the subwhich would entitle the applicant to conduct operations thereon.	bject lease	Office
Title 19 LLCC Section 1001 and Title 42 LLCC Section 1212 make it a crime of	for any nercon	knowingly, and willfully to make to any department or agency of the United

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.





CONDITIONS OF APPROVAL

Enduring Resources, LLC

Notice of Intent APD Extension

Lease:

UTU-075518

Well:

Southam Canyon #10-24-24-12

Location:

SESW Sec 12-T10S-R24E

An extension for the referenced APD is granted with the following conditions:

- 1. The extension and APD shall expire on 11/12/07
- 2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Matt Baker of this office at (435) 781-4490

STATE OF UTAH	FORM 9		
DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING	5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-75518		
SUNDRY NOTICES AND REPORTS ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:		
CONDICTIONS AND INC. ON WILLE	n/a 7. UNIT or CA AGREEMENT NAME:		
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	n/a		
1. TYPE OF WELL OIL WELL GAS WELL OTHER	8. WELL NAME and NUMBER:		
	Southam Canyon 10-24-24-12		
2. NAME OF OPERATOR: Enduring Resources, LLC	4304736789		
3. ADDRESS OF OPERATOR: PHONE NUMBER:	10. FIELD AND POOL, OR WILDCAT:		
475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202 (303) 350-5719	Undesignated		
4. LOCATION OF WELL	соинту: Uintah		
FOOTAGES AT SURFACE: 708' FSL - 2070' FWL	COUNTY: OIIIIAII		
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 12 10S 24E S	STATE: UTAH		
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REP	ORT, OR OTHER DATA		
TYPE OF SUBMISSION TYPE OF ACTION			
ACIDIZE DEEPEN	REPERFORATE CURRENT FORMATION		
✓ NOTICE OF INTENT (Submit in Duplicate) ALTER CASING FRACTURE TREAT	SIDETRACK TO REPAIR WELL		
Approximate date work will start: CASING REPAIR NEW CONSTRUCTION	TEMPORARILY ABANDON		
CHANGE TO PREVIOUS PLANS OPERATOR CHANGE	TUBING REPAIR		
CHANGE TUBING PLUG AND ABANDON	VENT OR FLARE		
SUBSEQUENT REPORT CHANGE WELL NAME PLUG BACK	WATER DISPOSAL		
(Submit Original Form Only) CHANGE WELL STATUS PRODUCTION (START/RESUME)	WATER SHUT-OFF		
Date of work completion: COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE	OTHER: Request for APD		
CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION	Extension		
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.			
Enduring Resources, LLC respectfully request an extension to the expiration date of the	no Application for Formit to 5 m		
FROM: 5/4/2007 TO: 5/4/2008 Approved by the Utah Division of Oil, Gas and Mining			
Date: 04-30-07 By:	DOPY SENTIO OPERATOR Dais: 5.1.01		
NAME (PLEASE PRINT) Evette Bissett TITLE Regulatory Affa	irs Assistant		

(This space for State use only)

NAME (PLEASE PRINT)

RECEIVED APR 3 0 2007

DATE 5/1/2007

Application for Permit to Drill Request for Permit Extension Validation

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304736789 Well Name: Southam Canyon 10-24-24-12 Location: 708' FSL - 2070' FWL SES Company Permit Issued to: Enduring Date Original Permit Issued: 6/27/2005	W, Sec 12, T10S-R24E g Resources, LLC
The undersigned as owner with legal rigation above, hereby verifies that the informal approved application to drill, remains verifies.	ghts to drill on the property as permitted tion as submitted in the previously alid and does not require revision.
Following is a checklist of some items representation verified.	related to the application, which should be
If located on private land, has the owner agreement been updated? Yes □ No □	
Have any wells been drilled in the vicin the spacing or siting requirements for the	ity of the proposed well which would affect his location? Yes□ No ☑
Has there been any unit or other agree permitting or operation of this proposed	ments put in place that could affect the d well? Yes□No☑
Have there been any changes to the ac of-way, which could affect the proposed	ccess route including ownership, or right- d location? Yes□No ☑
Has the approved source of water for d	Irilling changed? Yes□No☑
Have there been any physical changes which will require a change in plans fro evaluation? Yes□No☑	to the surface location or access route m what was discussed at the onsite
Is bonding still in place, which covers the	his proposed well? Yes⊠No□
Signature Bussett	<u>5/1/2007</u> Date
Title: Landman - Regulatory Specialist	
Representing: Enduring Resources, LLC	
	RECEIVED

APR 3 0 2007

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES

	DIVISION OF OIL, GAS AND MIN	IING	Ì	5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-75518
SUNDRY NOTICES AND REPORTS ON WELLS			6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a	
Do not use this form for proposals to drill no	w wells, significantly deepen existing wells below curre erals. Use APPLICATION FOR PERMIT TO DRILL for	ent bottom-hole depti rm for such proposal	n, reenter plugged wells, or to	7. UNIT OF CA AGREEMENT NAME: n/a
1. TYPE OF WELL OIL WELL				8. WELL NAME and NUMBER: Southam Canyon 10-24-24-12
2. NAME OF OPERATOR:				9. API NUMBER:
Enduring Resources, LLC				4304736789 10. FIELD AND POOL, OR WILDCAT:
3. ADDRESS OF OPERATOR:	Denver SYATE CO ZIP 8	80202	PHONE NUMBER: (303) 350-5719	Undesignated
475 17th Street, Suite 1500 CITY 4. LOCATION OF WELL	STATE 200			
FOOTAGES AT SURFACE: 708' F	SL - 2070' FWL			COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RAN				STATE: UTAH
11. CHECK APPE	ROPRIATE BOXES TO INDICAT	E NATURE	OF NOTICE, REPO	RT, OR OTHER DATA
TYPE OF SUBMISSION			PE OF ACTION	REPERFORATE CURRENT FORMATION
NOTICE OF INTENT	ACIDIZE	DEEPEN		SIDETRACK TO REPAIR WELL
(Submit in Duplicate)	ALTER CASING	FRACTURE		TEMPORARILY ABANDON
Approximate date work will start:	CASING REPAIR	NEW CONS		TUBING REPAIR
	CHANGE TO PREVIOUS PLANS	PLUG AND		VENT OR FLARE
	CHANGE TUBING	PLUG BACH		WATER DISPOSAL
SUBSEQUENT REPORT (Submit Original Form Only)	CHANGE WELL NAME		` ON (START/RESUME)	WATER SHUT-OFF
Date of work completion:	CHANGE WELL STATUS COMMINGLE PRODUCING FORMATIONS		ION OF WELL SITE	✓ OTHER: Request for APD
	CONVERT WELL TYPE		TE - DIFFERENT FORMATION	Extension
DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Enduring Resources, LLC respectfully request an extension to the expiration date of this Application for Permit to Drill FROM: 4-30/2008 TO: 4-30/2009 Approved by the Utah Division of Oil, Gas and Mining				
COPY SENT TO OPERATOR Date: 5 · 1 · 2008 Initials:				
A to the D	(Al) Arlian		Landman - Red	ulatory Specialist
NAME (PLEASE PRINT) Alvin R.	Al) Allian	TIT	LL	
SIGNATURE		DA	TE 4/21/2008	

(This space for State use only)

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Application for Permit to Drill Request for Permit Extension Validation

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304736789 Well Name: Southam Canyon 10-24-24-12 Location: 708' FSL - 2070' FWL SESW, Sec 12, T10S-R24E Company Permit Issued to: Enduring Resources, LLC			
Date Original Permit Issued: 6/27/2005			
The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.			
Following is a checklist of some items related to the application, which should be verified.			
If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes□No□			
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes□No☑			
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes□No☑			
Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes□No ☑			
Has the approved source of water for drilling changed? Yes□No☑			
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes□No☑			
Is bonding still in place, which covers this proposed well? Yes ☑No□			
4/21/2008			
Signature Date			
Signature			
Title: Landman - Regulatory Specialist			
Representing: Enduring Resources, LLC			

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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office 170 South 500 East Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410 http://www.blm.gov/ut/st/en/fo/vernal/html



IN REPLY REFER TO: 3160 UT08300

May 20, 2008

Alvin R. (Al) Arlian Enduring Resources, LLC 475 17th Street, Suite 1500 Denver, CO 80202

43-047-34789

Re:

Notice of Expiration

Well No. Southam Canyon 10-24-24-12

SESW, Sec. 12, T10S, R24E

Uintah County, Utah Lease No. UTU-75518

Dear Mr. Arlian:

The Application for Permit to Drill (APD) the above-referenced well was approved on November 12, 2005. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until November 12, 2007. According to our records, Federal Lease UTU-75518 has expired by its own terms and conditions, effective October 31, 2007. In view of the foregoing, this office is notifying you that the approval of the referenced application and lease has expired.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding this matter, please contact me at (435) 781-4455.

Sincerely,

. Cindy Severson

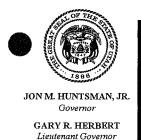
Cindy Severson Land Law Examiner

CC:

UDOGM

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DIV. OF OIL, GAS & MINING



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

June 16, 2009

Al Arlian Enduring Resources LLC 475 17th Street, Suite 1500 Denver, CO 80202

43 047 36789 Southam byn 10-24-24-12 105 24E 12

Re:

APD Rescinded at the request of Enduring Resources, LLC.

Uintah County

Dear Mr. Arlian:

Enclosed find the list of APDs that you requested to be rescinded to Enduring Resources, LLC. No drilling activities at these locations have been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective June 16, 2009.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Environmental Scientist

all Masor

cc:

Well File

Bureau of Land Management, Vernal

SITLA, Ed Bonner



Bonanza 9-23-22-11	43-047-36646 (Federal)
Bonanza 9-23-32-11	43-047-36647 (Federal)
Bonanza 9-23-23-12	43-047-36655 (Federal)
Buck Camp 12-22-33-2	43-047-37915 (State)
Bitter Creek 12-23-24-24	43-047-38334 (Federal)
Bitter Creek 12-23-21-24	43-047-38356 (Federal)
Southam Canyon 10-25-22-19	43-047-36718 (Federal)
Southam Canyon 10-24-24-12	43-047-36789 (Federal)